

**Piedmont Electric Membership Corporation  
Hillsborough, North Carolina  
Board of Directors Meeting  
October 21, 2024  
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on October 21, 2024 pursuant to notice of date and time of said meeting at the headquarters of the Cooperative in Hillsborough, North Carolina.

The following members of the Board were present: Randy Kinley, Cy Vernon, Steven Bailey, David Poythress, Richal Vanhook, V. Kay Scurlock-Ferguson, Steve Long, Darren Chalk and Jimmy Thomas. Also present were Jordan Overbee, President and General Manager; Susan Cashion, Vice-President, Compliance and Administrative Officer; Larry Hopkins, Vice-President of Engineering; Brandon Reed, Manager of Member Services; Mike Parker, Attorney; Scott Rowland, Manager of Information Technology; Robert Riley, Vice-President of Operations and Lisa Kennedy, Vice-President of Financial Services.

Mr. Kinley called the meeting to order and offered an invocation.

1. Upon motion and second the Board approved the minutes from the September 16, 2024 Board meeting unanimously.
2. Upon motion and second the Board approved the summary minutes from the September 16, 2024 Board meeting unanimously.
3. Upon motion and second the Board unanimously approved the Monthly Safety Report.
4. The VP of Operations gave the operations report, informing the Board that Piedmont connected 28 new services; 24 out of the Hillsborough office and 4 out of the Roxboro office. Thirteen Piedmont employees volunteered to go to western North Carolina to assist with power restoration from Hurricane Helene. Five employees went to Haywood EMC, four to French Broad EMC on the first round, and four different employees during the two week switch to French Broad.
5. The VP of Engineering reported the Carrboro substation is back on line and the mobile substation is now in West Hillsborough. He presented a Contract to replace the transformer in Northern Roxboro with Service Electric. Upon motion and second the Board approved this Contract.

6. The VP of Engineering has been unable to find anyone to appraise the Laws Tower. Piedmont has spent \$38,700 on maintenance for it since 2018 and spent \$23,000 on lighting for it in 2018. He inquired if the Highway Patrol might purchase it but they were not interested in buying it without the upgrades which would cost approximately \$400,000.00. The tax value for the site is \$38,400 with no value assigned to the tower. Staff recommends conveying it without cost to the State Highway Patrol. Upon motion and second the Board unanimously approved donating the site and tower to the State Highway Patrol.
7. The Manager of Member Services and Public Relations reviewed the America Customer Satisfaction Index results for the 3<sup>rd</sup> quarter of 2024. 200 to 250 members are surveyed randomly from the general membership and those who were involved in some type of transaction with the Cooperative. He noted Piedmont had good scores in 2023. Although they dropped in the first quarter of 2024, they have improved since. He noted they also surveyed for right-of-way satisfaction, members who experienced an outage, members with new services, members who interact with the call center, members who pay at the drive-thru and members using online services. Included in the information they provide is a gap analysis of performance versus importance. Those who identify as members tend to give higher scores on the evaluations.
8. The Manager of Member Services and Public Relations discussed participation by the Board members in the political action committees, NCPAC and AECPCAC. He also explained the new monthly member billing statement format. It was recommended that Piedmont change the message frequently.
9. The Manager of Member Services and Public Relations, the President & General Manager and the VP of Compliance and Administrative Officer decided to open the drive-thru service to members on Mondays and Fridays in Hillsborough and Roxboro. The Board asked about considering additional days and times for the Caswell office and asked staff to update the signage.
10. The IT Manager presented the IT and Cybersecurity Report for the 3<sup>rd</sup> quarter. Of the total 417,366 emails received for the quarter, 33,312 were blocked at the edge, 65 were malware, 2,490 were phishing, 12,851 were spam, 4,304 were deleted by zero-hour auto purge and 364,344 were delivered. He noted there were two failures in the two KnowBe4 Phishing

campaigns conducted in July, one failure in the one campaign conducted in August and one failure in the one September campaign.

11. The IT Manager gave a fiber update, noting Tropical Storm Debby caused broken lashing on Ben Johnston Road and damaged fiber on Terry Road. There was shotgun damage on Morton-Pulliam Road near Hyco. Upcoming fiber projects include moving aerial fiber underground on Dairyland Road, installation of new fiber at the Hillsborough office and dark fiber maintenance. He informed the Board of a CrowdStrike event on July 19 at 1:30 a.m. from a faulty update delivered to millions of consumers. Piedmont had eight servers down but had all fully restored by 11:30 a.m. that day.
12. The IT Manager asked the Board about the several hot spots Piedmont installed in 2020 during the pandemic to help students receive educational information online at the Caswell and Roxboro offices and at the Ruritan Club in Caswell County. It costs Piedmont \$172 per month for Spectrum to provide the internet connection. The most current monthly usage was 23 devices connected to the site at the Caswell office and 39 at the Ruritan Club. The Board agreed to discontinue the service.
13. The President & General Manager informed the Board that their calendar of Board events will now be on Outlook on their iPads.
14. The VP of Compliance and Administrative Officer shared an Article from the News of Orange about the addition and improvements of the Efland Volunteer Fire Company funded by a Rural Electric Development Loan and Grant (“REDLG”) loan through Piedmont. There is \$682,305 in funding available through the revolving fund and \$412,595 available for loans under the 5% cap. Swepsonville Volunteer Fire Department, inc. has requested a loan of \$910,000 to purchase new truck that will cost \$1,300,000. If approved they will pay off an existing loan with a balance of \$122,000. They serve 575 Piedmont meters. This would be a loan funded by the USDA. Their projected time of delivery is 45 months. Upon motion and second the Board approved the loan of \$910,000 to the Swepsonville Fire Department.
15. The VP of Compliance and Administrative Officer reported the City of Roxboro is requesting a loan of \$767,000 to purchase a new truck costing \$958,929 that they expect to be delivered in March or April of 2025. This would be their fourth REDLG loan

through Piedmont. Upon motion and second the Board approved a loan of \$500,000.00 to the City of Roxboro for this fire truck from the revolving funds.

16. The VP of Compliance and Administrative Officer informed the Board that the Orange Rural Fire Department did not score high enough to get its REDLG loan approved by the USDA during the last round of funding. She asked the Board to consider doing a loan of \$500,000 from the revolving fund so they could proceed to purchase the fire truck and if USDA approves the loan request then the additional loan in the amount of \$245,000 could be made. Upon motion and second the Board voted to make a REDLG loan from the revolving fund of \$500,000 to the Orange Rural Fire Department.
17. The VP of Financial Services informed the Board Piedmont needs an RUS Form 675 Certificate of Authority to authorize the President & General Manager to request loan funds from RUS on form 595. Upon motion and second the Board approved the Form 675 Certificate of Authority authorizing the President & General Manager to request loan funds from RUS.
18. The VP of Financial Services presented the financials for September 2024.
  - a. Piedmont experienced 249 normal degree days and 285 actual degree days for a monthly variance of 36 and a cumulative variance of -132 or -0.90%. September 2024 margins were approximately \$100,000 as compared to September 2023 margins of approximately \$1,100,000. The year-to-date margins are approximately \$2,800,000 compared to 2023 year-to-date margins of approximately \$3,400,000 and margins anticipated by the budget of approximately \$500,000. The total utility plant is approximately \$310,800,000, the net utility plant is approximately \$207,000,000 and the total assets are approximately \$237,500,000. Equity is 32.69% as compared to 2023 year-end equity of 31.88%. Piedmont connected 329 new services to date in 2024 as compared to 501 new services connected to date in 2023 and has 34,560 net services in place compared to 34,284 net services to date in 2023. Piedmont added 10.46 miles of line to date in 2024 and now has a total of 3,677.34 miles of line. The storm recovery deferred storm costs are \$978,935.86 and Piedmont has collected \$364,642.94 through the storm rider leaving a balance of \$614,292.92.

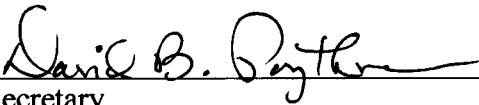
b. The VP of Financial Services presented the Wholesale Power Cost Adjustment for September 2024. Piedmont paid \$3,537,243.89 in total power costs for the month, of which the Products Southeastern Pipeline costs were \$20,464.71 and the coal ash recovery was \$116,636.16 resulting in total power costs to be recovered of \$3,400,143.02. The retail base recovery for the month was \$2,870,222.54 resulting in a base difference of (\$529,920.49). The wholesale power cost credit was \$218,473.78 for an under-recovery of \$748,394.27. When applied to the previous accumulated difference, the over-recovery is now \$1,645,321.89. The calculated November 2024 retail wholesale power cost adjustment related to power cost is (\$0.00275); the calculated wholesale power cost adjustment related to the coal ash clean-up is \$0.00349, resulting in a net calculate wholesale power cost adjustment charge for November 2024 of \$0.00074.

The staff were excused at 5:10 p.m. for an executive session that ended at 6:50 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 6:50 p.m.

  
Chair

Attest:

  
Secretary